



PUBLIC DISCLOSURE COMMISSION

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9:00 a.m.
July 24, 2001

MINUTES – REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Christine Yorozu, Chair
Gerry Marsh, Vice Chair
Lois Clement, Secretary
Susan Brady, Member
Ronda Cahill, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Nancy Krier, Asst. Attorney General
Neil Gorrell, Asst. Attorney General
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Christine Yorozu at 9:00 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

Commissioner Yorozu introduced the Commission members and thanked Commissioner Cahill for her hard work as Chair.

Commissioner Marsh also thanked Commissioner Cahill for her help and guidance.

Commissioner Yorozu thanked staff for their patience and assistance in her transition as Chair of the Commission.

Citizen Comments/Concerns

No citizen comments were expressed.

Minutes

Moved by Commissioner Cahill, seconded by
Commissioner Clement:

Motion 02-001

**The Commission adopts the minutes
of the special meeting of June 28,
2001 as written.**

The motion passed unanimously.

Advisory Matters

*Guidelines for School Districts
In Election Campaigns*

Doug Ellis reported on proposed Guidelines for School Districts in Election Campaigns developed over a 6-month period by staff and school district representatives. These Guidelines are designed for use by school district personnel to assist them in avoiding inadvertent violations of the law prohibiting the use of public facilities in campaigns.

Mr. Ellis stated that although the concepts incorporated in the proposed Guidelines are not new, they have been arranged in a format that is conducive to enhanced understanding of what is permitted and not permitted under state law. They provide clarification in the areas of targeting, teacher and union activity, and use of technology such as websites, emails and school equipment. Mr. Ellis also noted that specific language found in the statute and Commission rules has been incorporated throughout the document, including the statutory standard of "normal and regular conduct" and "an objective and fair presentation of the facts."

Susan Harris reported on written public comments received from the Seattle Public Schools, Michael Gawley on behalf of the Washington Education Association, and Jamie Lund of the Evergreen Freedom Foundation.

Commissioner Cahill questioned whether the proposed Guidelines for School Districts treat those districts differently than other public

agencies with respect to the number of election-related publications.

Susan Harris commented that in many cases involving public agencies, such as Intercity Transit, the issue was not the number of publications, but rather the fact that the publication was promotional.

Vicki Rippie also commented that there is no bright line test to determine what is normal and regular for each district or public agency, except that each may produce at least one fact sheet. She emphasized that the proposed Guidelines do not permit districts to engage in marketing or sales efforts as noted on page 4, paragraph 8c of the Guidelines.

Grace Yuan, representing school districts in King County and Clark County, commented that the Guidelines are an important step forward in ensuring compliance with the laws and regulations by school districts.

Doug Ellis also pointed out a few staff amendments that would assist in providing additional guidance and clarification in the Guidelines.

Commissioner Yorozu requested that a bullet be added under “not permitted” on page 14 that reads: “Districts shall not use electioneering or promotional expressions such as ‘*The levy will cost the average family a pizza a week.*’”

Commissioner Marsh expressed concern regarding first amendment rights and restricting people from engaging in activity that supports or opposes a levy issue.

Michael Gawley, attorney representing the Washington Education Association was present and commented that the WEA would have liked to be a part of the “working group.” Mr. Gawley also commented that WEA is also concerned with free speech issues and requested clarity on whether it

is appropriate to deliver materials in a hand-to-hand exchange. He also commented that materials should be permitted to be distributed as long as the employees are outside of their instructional time.

Peter Bogdanoff, president of the Bellevue Education Association, also addressed the Commission and noted that many schools no longer have employee lunchroom or break-rooms and many teachers take their break in their own classrooms, leaving hand-to-hand exchanges as the only option to disseminate information.

Mary Linquist, teacher at Mercer Island High School, commented that clarity in the Guidelines is important. However, under the Guidelines, disseminating information would be difficult given the different hours classified staff work.

Cathy Axdell, president of Paraeducators for Olympia School District, reported that getting information to part time employees who work staggered work hours is nearly impossible and those employees are interested in receiving the information.

Barbara Murphy from the Washington Association of School Administrators addressed the Commission and thanked the staff and the working group for the time and effort that they put into developing the Guidelines and urged the Commission to accept them.

Commissioner Brady noted that the draft Guidelines are a major step forward in compliance and she thanked the working group and staff for their time and effort.

Motion 02-002

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission postpones making a decision on the Proposed Guidelines for School Districts until the August meeting.

The motion passed unanimously.

Primary Election Status

Vicki Rippie reported that Judge Burgess has not issued his opinion regarding the status of Washington's primary election. Ms. Rippie noted that there are currently three disclosure law provisions that are specifically linked to the occurrence of a primary election and staff will be in touch with local office candidates and state office candidates to inform them of applicable state contribution limits, loan reimbursement restrictions and reporting dates once a decision has been rendered.

*Interpretation – Contributions to
State Office Candidates who
Lose in the Primary Election*

Doug Ellis requested the Commission accept an interpretation implementing House Bill 1770 which changes RCW 42.17.640 to allow contributions to be made to a statewide executive or legislative candidate or a candidate's authorized committee with respect to a primary election until thirty days after the primary.

Motion 02-003

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

**The Commission adopts PDC Interpretation
#01-02, Contributions to State Office
Candidates Who Lose the Primary Election.**

The motion passed unanimously.

Rule Making

Doug Ellis summarized the potential rule-making topics, Electronic Filing, WAC 390-16-034 Additional reporting requirements and WAC 390-05-400 Changes in Dollar Amounts. Mr. Ellis noted that a stakeholder meeting was held to allow interested persons an opportunity to participate in the process and staff received acknowledgement that these are issues that need to be clarified.

The Commission authorized staff to move forward with the rule-making process.

Agency Request Legislation

Vicki Rippie discussed the possibility of whether to pursue legislation during the 2002 Legislative session regarding the PDC penalty authority and housekeeping issues. Ms. Rippie noted that both measures had some momentum and support in the 2001 session but failed to make it through the entire process.

Commissioner Cahill suggested that the wording in citizen action complaints be changed from 45 days to 45 business days to allow for more time to conduct a thorough investigation.

Commissioner Brady expressed concern that changing application of the 45 days to the investigative process would not provide a specific date by which the Attorney General or county prosecutor would be required to act.

The Commission directed staff to move forward with agency request legislation for the Penalty Authority bill and Housekeeping bills.

Staff Reports

Executive Director

Vicki Rippie reported that some counties will be conducting elections for Conservation District Supervisors and staff will email all county auditors to alert them that a formal Attorney General's Opinion is still pending regarding which provisions of RCW 42.17 apply to Conservation District Supervisors.

Assistant Director

Susan Harris reported that declaration of candidacy filing week is underway and the goal is to have all F-1 and C-1 data entered within two weeks of the close of filing, shortly thereafter send out reminder notices to those candidates who have not filed, and hold any warranted enforcement action prior to the primary election.

Assistant Attorney General

Nancy Krier summarized the status of pending litigation and noted that a status conference has

been set in August for the rules challenge of WAC 390-16-311.

Executive Session

The Commission went into executive session at 11:40 a.m. to discuss pending and potential litigation with legal counsel.

Public Session

The Commission returned to public session at 12:00 p.m. and recessed until 1:15 p.m.

Enforcement Matters

Hearings

*Amalgamated Transit Union
Local 587 and Amalgamated
Transit Union Local 587 No
On I-745 Committee*

Assistant Attorney General Neil Gorrell read the Stipulation of Facts, Violation and Penalty into the record. He then summarized the case against Amalgamated Transit Union Local 587 and Amalgamated Transit Union Local 587 No on I-745 Committee violating RCW 42.17.040 – 42.17.090 by soliciting and accepting contributions from its members without registering and reporting as a political committee.

Commissioner Cahill requested that the training referred to in the stipulation be conducted by PDC staff to ensure consistency and accuracy.

Jim Oswald, Co-Counsel for Respondents, introduced Cliff Freed and Lance Norton and reported that ATU Local 587 is not normally involved in the political process and did not fully understand the reporting requirements.

Motion 02-004

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

The Commission accepts the Stipulation of Facts, Violation and Penalty of \$10,000 with \$7,500 suspended in PDC case #01-219, Amalgamated Transit Union Local 587 and

**Amalgamated Transit Union Local 587 No
on I-745 Committee.**

The motion passed unanimously.

Commissioner Yorozu noted that Vicki Rippie was authorized to sign the order on behalf of the Commission.

Requests for Reconsideration

Patrick Mullen, Case #00-640

Phil Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Mullen was found in violation of RCW 42.17.240 for failure to file a Statement of Financial Affairs and RCW 42.17.050 for failure to file a Candidate Registration. Mr. Mullen was assessed a penalty of \$500 with \$450 suspended based upon the conditions in the January 14, 2000 order.

Mr. Stutzman reported that Mr. Mullen has difficulty comprehending the political process. Staff is requesting that the Commission vacate the orders.

Motion 02-005

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission vacates the order in PDC case #00-640, Patrick Mullen.

The motion passed unanimously.

The Commission requested that a cover letter accompany the new order stating that Mr. Mullen will need to file if he becomes a candidate again.

John Grover, case #00-461

Phil Stutzman reported that a brief enforcement hearing was held December 9, 1999 in which Mr. Grover was found in violation of RCW 42.17.050 for failure to file a Candidate Registration. Mr. Grover was assessed a penalty of \$500 with \$450 suspended based on the conditions in the January 14, 2000 order.

Mr. Stutzman reported that Mr. Grover timely filed his Statement of Personal Financial Affairs. However, he did not file a Candidate Registration. Mr. Stutzman also noted that Mr. Grover moved shortly after the election and did not receive any notices from the PDC until recently and filed the form immediately upon learning of the need to file.

Motion 02-005

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

The Commission vacates the order in PDC case #00-461, John Grover.

The motion passed unanimously.

Reporting Modification Requests

New

*Carrie L. George, Candidate for
School Board, Mercer Island*

Mr. Stutzman reported that Ms. George requests an exemption from reporting the business customers and other government agencies of Stripe, Inc. dba Garnett Sign Studio of which she and her spouse are 90% owners.

Motion 02-006

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission grants the reporting modification to Carrie L. George, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

*Mark G. Olson, Candidate
Everett City Council*

Mr. Stutzman reported that Mr. Olson was granted a reporting modification for an exemption from reporting business customers and other government agencies of the law practice of Mark

G. Olson, Attorney at Law, of which he is the sole proprietor. Staff has discovered that a modification is not necessary.

Motion 02-007

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission rescinds the reporting modification order for Mark G. Olson.

The motion passed unanimously.

Renewal (with change)

*Tom J. Chambers, Supreme
Court Justice*

Mr. Stutzman reported that Justice Chambers requests an exemption from reporting payments from donors, business customers and governmental agencies to United Way of King County and the Rise and Shine Foundation where he serves as a board member.

Motion 02-008

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission grants the reporting modification to Tom J. Chambers, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (no change)

*Dan S. Grausz, City Council
Member, City of Mercer
Island*

Mr. Stutzman reported that Mr. Grausz is requesting an exemption from reporting business and governmental customers of Holland America

Line-Westours Inc., of which he is a director and officer.

Commissioner Cahill requested that the order site the statute that requires annual renewal of reporting modifications.

Motion 02-009

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission grants a reporting modification to Dan S. Grausz, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

*Kevin Raymond, Board of
Trustees, Western WA.
University*

Mr. Stutzman reported that Mr. Raymond requests an exemption from reporting business and governmental customers of the law firm of Cairncross & Hempelmann, P.S. Mr. Raymond is no longer a partner with this firm and believes that he has complied with the requirements for the year 2000.

Motion 02-010

Moved by Commissioner Cahill, seconded by Commissioner Brady:

The Commission grants the reporting modification to Kevin Raymond, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Adjournment

Commissioner Yorozu adjourned the meeting at 2:45 p.m. The next meeting is scheduled for Tuesday, August 28, 2001.

Approved by the Commission 8/28/01